

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 95-1005-C - ORDER NO. 95-1363

JULY 14, 1995

IN RE: Request of Farmers Telephone Cooperative,) ORDER
Inc. for Approval of Revisions to its) GRANTING
General Subscribers Service Tariff (Area) RECONSIDERATION
Calling Plan).)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Rehearing or Reconsideration of Order No. 95-1196 filed by Farmers Telephone Cooperative, Inc. (Farmers or the Company).

Order No. 95-1196 found that Farmers Area Calling Plan (ACP) Service was a non-optional plan affecting the general body of subscribers, and therefore, S. C. Code Ann. §58-9-540 (Law. Coop. 1976) applied. This Section states that, in essence, when a matter involves the Company's general body of subscribers, that a hearing must be held as to the lawfulness or reasonableness of the proposed rates. Order No. 95-1196 also held that S.C. Code Ann. §58-9-520 (Law. Coop. 1976) requires the Company to give the Commission not less than thirty (30) days notice of its intention to file a schedule setting forth proposed changes and/or new rates or tariffs.

The Commission therefore ordered in Order No. 95-1196, that thirty (30) days notice was to be given, and a hearing was to be

set at such time as Staff may deem appropriate. Attached to that Order was a dissent by Commissioner C. Dukes Scott, concurred in by Commissioner Cecil A. Bowers, which stated among other things, that the ACP did not affect the general body of subscribers, in that, it was an optional plan. That dissent held that at least two conditions must exist for the tariff to apply to a subscriber: 1) a subscriber must make an intraLATA call, and 2) use Farmers as the carrier to complete the call. According to the dissent, all customers do not make intraLATA calls, and even those that do can use a number of different carriers. Therefore, the dissent stated a belief that the use of Farmers to complete an intraLATA call was optional on the part of the customer, and therefore, did not affect the general body of subscribers.

Subsequent to the issuance of Order No. 95-1196, Farmers petitioned for Rehearing and Reconsideration of the Order. Farmers states, among other things, that there were no interventions or protests filed in the Docket, that the Farmers ACP was structured so that there would be no change in the basic local calling area or in the rates for basic local service, that a hearing is not required in the Docket because Farmers ACP is not part of a general rate case and does not affect the telephone utility's general body of subscribers pursuant to S.C. Code Ann. §58-9-540. The ACP, according to Farmers, is optional in a sense that it does not necessarily affect each member of the general body of subscribers. According to Farmers, there are members of its general body of subscribers who do not make

intraLATA calls, and that Farmers subscribers may indeed select another carrier to complete intraLATA calls to pay that carrier's current rates. Farmers states that the results of the Commission's decision in Order No. 95-1196 is to delay implementation of Farmers ACP, and the resulting cost savings to all of its subscribers, and to increase the cost to Farmers and its subscribers of implementing the ACP by requiring Farmers to expend time and money on preparing for a formal hearing on the matter.

The Commission has examined this matter, and the entire record in this case, and concludes that the Petition for Reconsideration of Order No. 95-1196 must be granted. We agree that, as per the reasoning stated in the dissent of Commissioners Scott and Bowers, and the Petition for Rehearing or Reconsideration of Farmers, that the plan, upon examination, is an optional plan. A similar plan developed by Horry Telephone Cooperative, Inc. was found to be optional in our Order No. 94-243 in Docket No. 93-594-C, dated March 22, 1994. Since the plan is optional, we therefore hold the plan does not affect the general body of subscribers. Since the matter is not a part of a general rate case, we therefore, reconsider our holding in the previous Order, and hold that no Notice of Intent to File or Hearing is necessary in this matter. Further, we have examined the entire Docket in this matter and note that there are no Protests or Intervenor lists listed. We feel that the plan, as filed, offers substantial savings to Farmers customers, should they seek to use

the plan. The plan provides an Extended Local Calling Area for Farmers subscribers, which corresponds with the LATA in which the subscriber is located. Subscribers who use Farmers to complete calls outside the basic local calling area but within their LATA will receive a 50% discount over current intraLATA toll rates. An examination of the plan reveals that all Farmers subscribers who choose to do so will benefit from the reduced rates, and that no individual subscribers will be adversely affected.

Considering these factors, we believe that Farmers ACP should be approved as filed.

IT IS THEREFORE ORDERED THAT:

1. Reconsideration of Order No. 95-1196 is hereby granted.
2. No Notice or hearing need be applied to the Farmers Area Calling Plan.
3. Farmers Area Calling Plan is hereby approved as filed.
4. Farmers shall file within ten (10) days from receipt of this Order tariffs to reflect this holding.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Rudolph Mitchell

Chairman

ATTEST:

Dan Swales
Deputy Executive Director

(SEAL)